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**IN THE UNITED STATES DISTRICT COURT
 FOR THE SOUTHERN DISTRICT OF NEW YORK**

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BANCO POPULAR DOMINICANO, C. POR A.,	:	
	:	
Plaintiff and	:	NO. 07 Civ. 6443 (LTS) (THK)
Counter-Claim Defendant,	:	
	:	
vs.	:	
	:	<u>ANSWER TO</u>
	:	<u>COUNTERCLAIM</u>
LEVI STRAUSS & CO.,	:	
	:	
Defendant and	:	
Third Party Plaintiff,	:	
	:	
vs.	:	
	:	
Interamericana Apparel Company, Inc.;	:	
Interamericana Products International, S.A.;	:	
QST Dominicana LLC; US Paper & Chemical;	:	
Apparel Machinery & Supply Co.; YKK Snap	:	
Fasteners America, Inc.; Southern Textile	:	
Dominicana, Inc.; Industria Cartonera	:	
Dominicana, S.A. (Smurfit); The Graphic Label	:	
Group Dominicana, Inc.; and Tag-It Pacific,	:	
Inc.,	:	
	:	
Third Party Defendants.	:	
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Plaintiff/Counterclaim Defendant Banco Popular Dominicano, C. Por A. (“Banco Popular”), individually and as bank agent, collateral agent and/or administrative agent for certain financial institutions (collectively with Banco Popular, the “Secured Parties”), under a certain Security Agreement between Banco Popular and Interbojos, Ltd.; Interamericana Apparel Company, Inc.; Interamericana Products International (Panama), S.A.; J.B.S., S.A.; Juan Bojos,

C. por A.; Bojos Leather, Ltd.; and Bojos Manufacturing Ltd., (collectively, the “Borrowers”), by its attorneys, Herrick, Feinstein LLP, as and for its Answer to the Counterclaim of Defendant Levi Strauss & Co. (“LS&CO”), responds as follows:

As to the Parties

1. Banco Popular admits that it is a bank organized under the law of the Dominican Republic.

2. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “2” of the Counterclaim, and leaves LS&CO to its proofs.

3. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “3” of the Counterclaim, and leaves LS&CO to its proofs.

4. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “4” of the Counterclaim, and leaves LS&CO to its proofs.

5. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “5” of the Counterclaim, and leaves LS&CO to its proofs.

6. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “6” of the Counterclaim, and leaves LS&CO to its proofs.

7. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “7” of the Counterclaim, and leaves LS&CO to its proofs.

8. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “8” of the Counterclaim, and leaves LS&CO to its proofs.

9. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “9” of the Counterclaim, and leaves LS&CO to its proofs.

10. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “10” of the Counterclaim, and leaves LS&CO to its proofs.

11. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “11” of the Counterclaim, and leaves LS&CO to its proofs.

As to Jurisdiction and Venue

12. The allegations in paragraph “12” of the Counterclaim contain legal conclusions for which no response is required. To the extent a response is required, Banco Popular denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “12” of the Counterclaim, and leaves LS&CO to its proofs.

13. The allegations in paragraph “13” of the Counterclaim contain legal conclusions for which no response is required. To the extent a response is required, Banco Popular denies

knowledge or information sufficient to form a belief as to the allegations contained in paragraph “13” of the Counterclaim, and leaves LS&CO to its proofs.

As to Nature of the Action

14. The allegations in paragraph “14” of the Counterclaim contain legal conclusions for which no response is required. To the extent a response is required, Banco Popular denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “14” of the Counterclaim, and leaves LS&CO to its proofs.

15. Banco Popular denies the allegations contained in paragraph “15” of the Counterclaim, except to admit that LS&CO currently owes Banco Popular not less than \$2,777,353.73 based upon the Borrowers’ accounts receivable.

16. Banco Popular denies the allegations contained in paragraph “16” of the Counterclaim, except to admit that it provided LS&CO notice of Banco Popular’s rights and to refer to that notice for the contents thereof.

17. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “17” of the Counterclaim.

18. The allegations in paragraph “18” of the Counterclaim contain legal conclusions for which no response is required. To the extent a response is required, Banco Popular denies knowledge or information sufficient to form a belief as to the allegations contained in paragraph “18” of the Counterclaim, and leaves LS&CO to its proofs.

19. Banco Popular denies the allegations contained in paragraph “19” of the Counterclaim, except to admit that it received correspondence from LS&CO’s counsel on or about March 28, 2007 and to refer to that correspondence for the contents thereof.

20. Banco Popular denies the allegations contained in paragraph “20” of the Counterclaim, except to admit that it filed the Complaint in the matter and to refer to the Complaint for the contents thereof.

21. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “21” of the Counterclaim, and leaves LS&CO to its proofs.

22. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “22” of the Counterclaim, and leaves LS&CO to its proofs.

23. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “23” of the Counterclaim, and leaves LS&CO to its proofs, except to admit that the amount in dispute which is due and unpaid at this time is not less than \$2,777, 353.73.

24. Banco Popular denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “24” of the Counterclaim, and leaves LS&CO to its proofs.

SEPARATE DEFENSES

Banco Popular, as and for its defenses to the allegations of the Counterclaim, states as follows:

FIRST SEPARATE DEFENSE

The Counterclaim fails to state a claim upon which relief can be granted.

SECOND SEPARATE DEFENSE

Banco Popular's duly perfected security interest in the Borrowers' accounts receivables is superior to the rights of any other person or entity.

THIRD SEPARATE DEFENSE

LS&CO received notice of Banco Popular's rights in the Borrowers' accounts receivable and is liable to Banco Popular for the amounts due from LS&CO to the Borrowers.

FOURTH SEPARATE DEFENSE

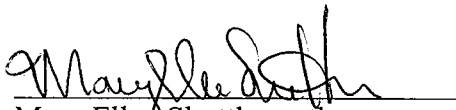
Banco Popular has a claim against LS&CO for the amounts due from LS&CO to the Borrowers and, accordingly, LS&CO is not entitled to a discharge, or to an award of costs and attorneys' fees, unless the amount of money deposited into the Court's registry is sufficient to satisfy Banco Popular's claim in full.

WHEREFORE, Banco Popular respectfully requests that this Court enter judgment (i) dismissing the Counterclaim with prejudice; (ii) granting the relief requested in the Complaint; (iii) holding any money deposited into the Court's registry as security for any judgment awarded to Banco Popular; and (iv) for such other relief as the Court may deem just and proper.

Dated: New York, New York
October 3, 2007

Respectfully submitted,

HERRICK, FEINSTEIN LLP


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